

GROWTH + PROSPERITY



**FIRST PUNJAB MODARABA**  
*(An Islamic Financial Institution)*

# Contents

<u>Corporate Profile</u>	<u>01</u>
<u>Directors' Report</u>	<u>02</u>
<u>Directors' Report (Urdu)</u>	<u>03</u>
<b><u>UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT</u></b>	
<u>Interim Balance Sheet</u>	<u>04</u>
<u>Interim Profit and Loss Account</u>	<u>05</u>
<u>Interim Statement of Comprehensive Income</u>	<u>06</u>
<u>Interim Statement of Changes in Equity</u>	<u>07</u>
<u>Interim Cash Flow Statement</u>	<u>08</u>
<u>Selected Notes to the Interim Financial Information</u>	<u>09-18</u>
<b><u>CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT</u></b>	
<u>Consolidated Interim Balance Sheet</u>	<u>20</u>
<u>Consolidated Interim Profit and Loss Account</u>	<u>21</u>
<u>Consolidated Interim Statement of Comprehensive Income</u>	<u>22</u>
<u>Consolidated Interim Statement of Changes in Equity</u>	<u>23</u>
<u>Consolidated Interim Cash Flow Statement</u>	<u>24</u>
<u>Selected Notes to the Interim Financial Information</u>	<u>25-36</u>

## Corporate Profile

### Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Nadeem Amir	Chairman
Aamir Malik	Chief Executive
Ijaz ur Rehman Qureshi	Director
Umer Iqbal Sheikh	Director
Imran Bashir	Director
Samina Afsar	Director
Khawar Shahid Ansari	Director

### Chief Financial Officer

Syed Asad Raza

### Company Secretary

Mudassar Kaiser Pal

### Audit Committee

Imran Bashir	Chairman
Ijaz ur Rehman Qureshi	Member
Samina Afsar	Member

### Human Resource Committee

Samina Afsar	Chairman
Ijaz ur Rehman Qureshi	Member
Umer Iqbal Sheikh	Member
Aamir Malik	Member

### Auditors of the Modaraba

EY Ford Rhodes  
Chartered Accountants

### Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.  
Chartered Accountants

### Bankers

The Bank of Punjab  
Bank Alfalah Limited

### Registrar

Hameed Majeed Associates (Pvt) Ltd.  
H.M. House, 7-Bank Square,  
The Mall, Lahore  
Tel: (+92-42) 37235081-2

### Registered Office

Office No. 100, 3rd Floor National Tower,  
Egerton Road, Lahore.  
Postal Code No. 54600  
PABX: (+92-42) 36365191  
Fax: (+92-42) 36365193  
E-mail: [info@punjabmodaraba.com.pk](mailto:info@punjabmodaraba.com.pk)  
URL: [www.punjabmodaraba.com.pk](http://www.punjabmodaraba.com.pk)

## DIRECTORS' REPORT

The Board of Directors of Punjab Modaraba Services (Pvt.) Limited, the Management Company of First Punjab Modaraba (the Modaraba), is pleased to present the results of the Modaraba, together with Directors' report, for nine months ended September 30, 2022.

Pakistan's economy is facing tough challenges on external and internal front. The areas of concern include foreign exchange reserves, weakening of local currency, high inflation, recent floods hampering growth and stability, aggressive monetary tightening and insecurity caused by Russia-Ukraine war. The extent of damage caused by floods is expected to be devastating with far reaching impact. This economic scenario has negatively impacted the businesses sentiments which will keep its pace slow in near future.

Despite the challenging business scenario, the Modaraba witnessed increase of 65% in revenues during the nine months period, as compared with corresponding period. A corresponding increase of 59% was recorded in expenses. The financial cost remained high owing to sharp increase in profit rates, rising by 78% in comparison to corresponding period. The pre-tax profit of Rs.2.76 million, was converted into negative bottom line of Rs.18.22 million amid adjustment in deferred tax asset amounting to Rs.20.34 million, which was made in previous quarter.

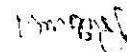
Going forward, the business expansion by booking of fresh assets, with focus on recovery from NPAs will be the priority as usual. The high profit rates still remain a constant threat to the profitability in coming periods. The intended diversification of business model and revenue streams, are expected to supplement the core activities in future. The wholly owned subsidiary, i.e. Punjab Capital Securities (Pvt) Limited earned profit of Rs.3.215 million during the period of nine months ended September 30, 2022.

The Board is pleased to express its gratitude for continuous guidance and support extended by the Registrar Modaraba, Securities & Exchange Commission of Pakistan. The Board also appreciates the patronage extended by the certificate holders.

For and on behalf of the Board of Directors



**(Aamir Malik)**  
**CHIEF EXECUTIVE**



**(Imran Bashir)**  
**DIRECTOR**

Lahore: November 09, 2022

## ڈائریکٹرز کی رپورٹ

پنجاب مداربہ سروسز پرائیویٹ لمیٹڈ فرسٹ پنجاب مداربہ کی مینٹننس کمیٹی، کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والے 9 ماہ کے نتائج پیش کرنے میں مسرت محسوس کرتے ہیں۔

پاکستان کی معیشت کو اندرونی اور بیرونی محاز پر سخت چیلنجز کا سامنا ہے۔ تشویش کے شعبوں میں زرمبادلہ کے ذخائر، مقامی کرنسی کا کمزور ہونا، بلند افراط زر، حالیہ سیلاب سے ترقی اور استحکام میں رکاوٹ، چارجہ ماہیاتی سختی اور روس یوکرین جنگ کی وجہ سے عدم تحفظ شامل ہیں۔ سیلاب کی وجہ سے ہونے والے نقصان کی حدود و رس اثرات کے ساتھ جوہکن ہونے کی توقع ہے۔ اس معاشی منظر نامے نے کاروباری جذبات پر منفی اثر ڈالا ہے جس کی وجہ سے مستقبل قریب میں اس کی رفتار سست رہے گی۔

چیلنجنگ کاروباری منظر نامے کے باوجود، مضارب نے نو ماہ کی مدت کے دوران پچھلی مدت کے مقابلے میں آمدنی میں 65% اضافہ دیکھا۔ اسی طرح اخراجات میں 59% اضافہ ریکارڈ کیا گیا۔ منافع کی شرح میں تیزی سے اضافے کی وجہ سے مالی لاگت زیادہ رہی اور پچھلی مدت کے مقابلے میں 78% فیصد اضافہ ہوا۔ 2.76 ملین روپے کا قبل از ٹیکس منافع، 20.34 ملین روپے کے ڈیفرنڈ ٹیکس اثاثہ میں ایڈجسٹمنٹ، جو کہ گزشتہ ماہ ہی میں گئی تھی کے باعث 18.22 ملین روپے کی منصفی حتمی عدد میں تبدیل ہو گیا۔

آگے بڑھے ہوئے، نئے اثاثوں کی بلنگ کے ذریعے کاروبار میں توسیع، نادر ہنگام سے وصولی پر توجہ ہمیشہ کی طرح ترجیح ہوگی۔ بلند شرح سود اب بھی آنے والے ادوار میں منافع کے لئے ایک مستقل خطرہ ہے۔ کاروباری ڈھانچے اور آمدنی کے سلسلے میں مطلوبہ تنوع سے مستقبل میں بنیادی سرگرمیوں کی حمایت کرنے کی توقع ہے۔ 30 ستمبر 2022 کو ختم ہونے والے 9 ماہ کی مدت کے دوران مکمل ملکیتی ذیلی کمپنی یعنی پنجاب کنسٹیبل سکیورٹیز (پرائیویٹ) لمیٹڈ نے 3.215 ملین روپے کا منافع کمایا۔

بورڈ نے باقاعدگی سے رجسٹرڈ مداربہ سکیورٹیز اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان کی مسلسل رہنمائی اور تعاون پر اظہار تشکر کرتے ہوئے خوشی ہو رہی ہے۔ بورڈ سرٹیفکیٹ ہولڈرز کی سرپرستی کے لئے بھی شکر گزار ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ایما  
عامر ملک  
چیف ایگزیکٹو

عمیران بشیر  
ڈائریکٹر



**FIRST PUNJAB MODARABA  
UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)  
AS AT 30 SEPTEMBER 2022**

	Note	30 Sep 2022 (Un-Audited) Rupees	31 Dec 2021 (Audited) Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible fixed assets			
- Ijarah assets	6.1	356,573,520	402,480,335
- Assets in own use	6.2	2,983,172	3,415,009
Intangible assets		1,712,500	1,100,000
Investment in subsidiary	7	76,500,000	76,500,000
Long term musharika investment - secured	8	452,703,816	289,701,023
Long term morabaha investment - secured	9	7,000,208	-
Long term deposits		308,444	203,444
Deferred tax asset		44,061,078	64,398,663
		941,842,738	837,798,474
<b>Current assets</b>			
Short term morabaha investment - secured	10	202,539,528	211,196,651
Current maturity of long term investment	11	365,177,197	396,998,699
Ijarah rental receivable	12	179,508,526	182,958,997
Short Term Investment		200,000,000	200,000,000
Development properties - Land		50,165,816	39,483,636
Advances, deposits, prepayments and other receivables	13	148,360,724	143,403,268
Tax refund due from government		4,347,444	4,201,717
Cash and bank balances	14	63,871,960	135,278,267
		1,213,971,195	1,313,521,235
<b>TOTAL ASSETS</b>		<b>2,155,813,933</b>	<b>2,151,319,709</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized certificate capital			
50,000,000 (31 Dec 2021: 50,000,000) modaraba certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital			
34,020,000 (31 Dec 2021: 34,020,000) certificates of Rs. 10 each		340,200,000	340,200,000
Capital reserves		220,303,614	220,303,614
Revenue reserves		(423,367,347)	(405,149,952)
		137,136,267	155,353,662
<b>Non current liabilities</b>			
Long term security deposits		33,106,779	42,274,729
Deferred morabaha income		15,546,756	-
Long term musharika finance - secured		-	131,100,952
		48,653,535	173,375,681
<b>Current liabilities</b>			
Current maturity of non current liabilities		84,094,582	84,225,155
Redeemable capital - participatory and unsecured	15	1,775,000,000	1,603,000,000
Profit payable	16	26,090,887	22,864,964
Trade and other payables	17	44,483,707	91,598,891
Provision for taxation		23,163,680	3,698,100
Unclaimed profit		17,191,276	17,203,256
		1,970,024,131	1,822,590,366
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,155,813,933</b>	<b>2,151,319,709</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	18		

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)

Chief Financial  
Officer

Chief Executive

Director

Director

**FIRST PUNJAB MODARABA**  
**UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

Note	2022		2021	
	Nine Months Ended Sep 30	Three Months Ended Sep 30	Nine Months Ended Sep 30	Three Months Ended Sep 30
	Un-Audited Rupees	Un-Audited Rupees	Un-Audited Rupees	Un-Audited Rupees
<b>Income</b>				
Income from ijarah rentals	45,729,149	17,471,247	63,665,498	27,681,931
Income from morabaha financing	7,967,667	3,632,497	799,552	529,413
Income from diminishing musharaka financing	84,840,204	39,502,927	43,743,530	13,944,096
Gain on disposal of fixed assets	231,516	397,169	(340,465)	936,474
Other income	55,726,655	11,853,460	9,407,650	1,923,478
	<b>194,495,191</b>	<b>72,857,300</b>	<b>117,275,765</b>	<b>45,015,392</b>
<b>Expenses</b>				
Administrative expenses	40,843,998	8,434,225	36,114,021	11,268,965
Finance cost	153,528,134	66,559,090	85,858,579	27,656,800
	<b>194,372,132</b>	<b>74,993,315</b>	<b>121,972,600</b>	<b>38,925,765</b>
<b>Operating loss before provision</b>	<b>123,059</b>	<b>(2,136,015)</b>	<b>(4,696,835)</b>	<b>6,089,627</b>
Reversal for impairment of ijarah assets	-	-	5,000,000	-
Reversal / (provision) against ijarah rentals - net	1,472,943	1,971,259	13,389,658	-
Reversal / (Provision) for musharikhah investment	-	-	-	-
Reversal / (Provision) for Other Receivable	1,172,649	1,172,649	-	-
	<b>2,645,592</b>	<b>3,143,908</b>	<b>18,389,658</b>	<b>-</b>
<b>Operating profit / (loss) after provision and impairment</b>	<b>2,768,651</b>	<b>1,007,893</b>	<b>13,692,823</b>	<b>6,089,627</b>
<b>Worker's Welfare Fund</b>	<b>(554)</b>	<b>(554)</b>	<b>-</b>	<b>-</b>
<b>Modaraba Company's management fee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2,768,097</b>	<b>1,007,339</b>	<b>13,692,823</b>	<b>6,089,627</b>
<b>Taxation</b>	<b>(20,985,493)</b>	<b>-</b>	<b>(2,327,781)</b>	<b>(1,035,237)</b>
<b>(Loss) / Profit for the Period</b>	<b>(18,217,395)</b>	<b>1,007,339</b>	<b>11,365,042</b>	<b>5,054,390</b>
<b>Earnings per certificate - basic and diluted</b>	<b>(0.54)</b>	<b>0.03</b>	<b>0.33</b>	<b>0.15</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.


For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)



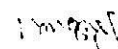
Chief Financial  
Officer



Chief Executive



Director



Director

**FIRST PUNJAB MODARABA**  
**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

Note	2022		2021	
	Nine Months Ended Sep 30	Three Months Ended Sep 30	Nine Months Ended Sep 30	Three Months Ended Sep 30
	Un-Audited Rupees	Un-Audited Rupees	Un-Audited Rupees	Un-Audited Rupees
(loss) / Profit for the period	(18,217,395)	1,007,339	11,365,042	5,054,390
Other Comprehensive Income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>(18,217,395)</b>	<b>1,007,339</b>	<b>11,365,042</b>	<b>5,054,390</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

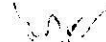
For Punjab Modaraba Services (Private) Limited  
 (Modaraba Management Company)



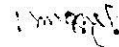
Chief Financial  
Officer



Chief Executive



Director



Director



**FIRST PUNJAB MODARABA  
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

	Certificate capital	Capital Reserve Statutory reserve	Revenue Reserve Accumulated loss	Total
	-----Rupees-----			
Balance as at 01 Jan 2021	340,200,000	216,692,528	(418,484,198)	138,408,330
Profit / (Loss) for the Period	-	-	11,365,042	11,365,042
Other comprehensive income for the Period	-	-	-	-
Total comprehensive loss for the Period	-	-	11,365,042	11,365,042
<b>Balance as at 30 Sep 2021</b>	<b>340,200,000</b>	<b>216,692,528</b>	<b>(407,119,156)</b>	<b>149,773,372</b>
Balance as at 01 Jan 2022	340,200,000	220,303,614	(405,149,952)	155,353,662
(Loss) / Profit for the Period	-	-	(18,217,395)	(18,217,395)
Other comprehensive income for the Period	-	-	-	-
Total comprehensive income for the Period	-	-	(18,217,395)	(18,217,395)
<b>Balance as at 30 Sep 2022</b>	<b>340,200,000</b>	<b>220,303,614</b>	<b>(423,367,347)</b>	<b>137,136,267</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

  
Chief Financial  
Officer

  
Chief Executive

  
Director

**FIRST PUNJAB MODARABA**  
**UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

	Note	Nine Months Ended	
		30 Sep 2022 (Un-Audited) Rupees	30 Sep 2021 (Un-Audited) Rupees
<b>Cash flow from operating activities</b>			
Cash generated from operations	25	62,811,224	187,470,855
Profit paid on receivable capital		(140,519,627)	(57,231,080)
Profit paid on musharikhah finances		(9,659,289)	(34,729,878)
Taxes paid		18,671,945	(1,563,849)
		(131,506,971)	(93,524,807)
<b>Net cash generated from / (used in) operating activities</b>		<b>(68,695,747)</b>	<b>93,946,048</b>
<b>Cash flow from investing activities</b>			
Proceeds from disposal of fixed assets		2,500	-
Purchase of assets under ijarah arrangements		(43,575,901)	27,244,531
Proceeds from transfer of ijarah assets		(3,171,612)	43,716,739
Dividend Income		4,319,384	-
Purchase of Software		(612,500)	(1,200,000)
Purchase of fixed assets in own use	6.2	(559,500)	(424,165)
<b>Net cash generated from investing activities</b>		<b>(43,597,629)</b>	<b>69,337,105</b>
<b>Cash flow from financing activities</b>			
Musharikhah finances-net	0	(131,100,952)	(216,403,075)
Redeemable capital-net	15	172,000,000	(566,133)
Profit distributed among the certificate holders		(11,980)	(82,664)
<b>Net cash generated from financing activities</b>		<b>40,887,068</b>	<b>(217,051,872)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(71,406,308)</b>	<b>(53,768,719)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>135,278,267</b>	<b>111,748,425</b>
<b>Cash and cash equivalents at the end of the period</b>	14	<b>63,871,959</b>	<b>57,979,706</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

For Punjab Modaraba Services (Private) Limited  
 (Modaraba Management Company)



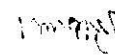
Chief Financial  
Officer



Chief Executive



Director



Director

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**FIRST PUNJAB MODARABA****NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)  
(FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022)****1 Status and nature of business**

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower, 28-Egerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba established its wholly owned subsidiary on November 29, 2016 as a private limited Company under the name of Punjab Capital Securities Privatet Limited. The registered office of Punjab Capital Securities Private Limited is situated at 3rd Floor, LSE Plaza, 19-Khayabane Aiwane Iqbal, Lahore. The Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikhah and Morabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam. The Modaraba has obtained approval of the Securities & Exchange Commission of Pakistan to undertake Building, Construction and Real Estate activity by insertion of a new clause for this purpose in prospectus of the Modaraba on January 13, 2021.

These unconsolidated condensed interim financial statements are the separate condensed financial statements of the Modaraba in which investments in subsidiary are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial statements are prepared separately.

- 1.1** During the year ended December 31, 2021, the Modaraba changed its financial year end from the 30 June 2021 to December 31, 2021. The financial statements of the Modaraba are prepared for the six months ended December 31, 2021.

## 2 Management's Assessment of Going Concern

During the period ended September 30, 2022, the Modaraba has incurred the losses of Rs 18,216,288 mainly owing to the reversals of defer tax recognized on the business losses. Operating profit for the period amounts to Rs 2,768,651 which is mainly contributed by the gain on settlement of Morabaha, profit on bank deposits and dividend income from subsidiary company Punjab Capital Securities (Private) Limited.

The accumulated losses - net of capital reserves, as at 30 September 2022 amounts to Rs. 203,062,626 (Dec 2021: Rs.184,846,338) which exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates, which is a non-compliance of Section 23 of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 which potentially triggers the winding up of Modaraba by registrar.

The current liabilities of the Modaraba exceed its current assets by Rs.756,051,829 as at September 30, 2022. Furthermore, liabilities excluding the security deposits of the Modaraba amounts to Rs 1,905,281,070 which is approximately 13 times of the equity of the Modaraba as at September 30, 2022, which is a non-compliance of Section 12 of the Modaraba Regulations 2021.

The management is of view that these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Modaraba's ability to continue as a going concern. However, the unconsolidated condensed interim financial statements have been prepared on the going concern basis because, the Bank of Punjab (BOP) being the parent company of the Modaraba Management Company has committed to provide the financial support in order to mitigate liquidity risks of the Modaraba. Modaraba with better recoveries and financial support from BOP expected to increase their exposure and improve their profitability.

Further on the basis of the business plan prepared by the management, management is of view that Modaraba demonstrate an increases in revenue, cash flows and profitability of the company, and hence an improvement in the financial performance and position of the company which indicates that Modaraba shall be able to operate on going concern basis in the foreseeable future. Consequently, these unconsolidated condensed interim financial statements have been prepared reflecting these

## 3 Basis of preparations

### 3.1 Statement of compliance

The unconsolidated condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of:

- International Accounting Standard (IAS) 34, interim financial reporting issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the Modarabas Regulations 2021; and
- Provisions of and directions issued by the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFASs), the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IAS 34, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

- 3.1.1** The disclosures made in these unconsolidated condensed interim financial statements are based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. These unconsolidated condensed interim financial statements does not include all the disclosures and statements required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended December 31, 2021.
- 3.1.2** The comparative balance sheet presented in these unconsolidated condensed interim financial statements has been extracted from the published audited financial statements of the Modaraba for the year ended December 31, 2021, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement have been extracted from the unconsolidated condensed interim financial statements of the Modaraba for the period ended September 30, 2021 and unconsolidated financial statements of the Modaraba for the year ended June 30, 2021.
- 3.1.3** These unconsolidated condensed interim financial statements are being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

#### **4 Significant accounting estimates and judgments**

- 4.1.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied in the preparation of the annual published audited financial statements of the Modaraba for the year ended December 31, 2021.
- 4.1.2** The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.
- 4.1.3** The significant judgments, estimates and assumptions made in applying the Modaraba's accounting policies and the factors used in making those estimates were the same as those that were applied to the annual published audited financial statements for the year ended December 31, 2021.

#### **5 Financial Risk Management Policies**

The financial risk management objectives and policies adopted by the Modaraba are consistent with those disclosed in the annual published audited financial statements of the Modaraba for the year ended December 31, 2021.

	Note	Sep-22 Rupees	Dec-21 Rupees
5 Tangible fixed assets			
Ijarah assets	6.1	356,573,520	402,480,335
Assets in own use	6.2	2,983,172	3,415,009
		359,556,692	405,895,344

Description	30-09-2022 (UN-AUDITED)											
	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		
	As at 1 Jan 2022	Additions	Transfer	As at 30 Sep 2022	Charge for the Period	Transfer	As at 30 Sep 2022	As at 1 Jan 2022	Reversal for the Period	Transfer	As at 30 Sep 2022	Depreciation Rate %
Plant and machinery	391,590,463	675,000	(31,624,374)	360,641,089	2,161,525	(19,136,658)	287,179,440	15,593,102	-	(15,593,102)	-	73,461,649
Vehicle	432,937,429	-	(29,614,000)	403,323,429	52,326,133	(33,386,463)	191,117,727	1,104,397	-	(1,104,397)	-	212,205,702
Cessna aircraft	13,552,604	-	-	13,552,604	-	-	13,552,604	-	-	-	-	-
Consumer products	133,893,279	42,900,991	(16,204,477)	160,589,793	38,078,185	(11,305,358)	89,683,534	-	-	-	-	70,906,169
	971,873,775	43,373,991	(77,442,851)	938,105,825	92,565,842	(63,828,479)	581,533,304	16,697,499	-	(16,697,499)	-	356,573,520

Description	31-12-2021 (AUDITED)											
	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		
	As at 1 July 2021	Additions	Transfer	As at 31 Dec 2021	Charge for the Period	Transfer	As at 31 Dec 2021	As at 1 July 2021	Reversal for the Period	Transfer	As at 31 Dec 2021	Depreciation Rate %
Plant and machinery	461,728,567	1,011,910	(71,150,004)	391,590,463	5,325,238	(61,961,940)	304,154,573	15,593,102	-	-	15,593,102	71,842,788
Vehicle	447,297,959	2,805,000	(12,165,530)	432,937,429	37,292,702	(9,850,058)	172,175,057	1,104,397	-	-	1,104,397	259,654,975
Cessna aircraft	13,552,604	-	-	13,552,604	-	-	13,552,604	-	-	-	-	-
Consumer products	113,774,738	32,006,560	(11,886,959)	133,893,279	24,908,139	(7,134,358)	62,910,707	-	-	-	-	70,982,572
	1,031,953,868	35,822,470	(95,202,493)	971,973,775	67,525,579	(78,946,356)	552,795,941	16,697,499	-	-	16,697,499	402,480,335

6.2 Assets in own use

Description	30-09-2022 (UN-AUDITED)										
	COST					DEPRECIATION					NBV
	As at 1 Jan 2022	Additions	Disposal	As at 30 Sep 2022	As at 1 Jan 2022	Charge for the Period	Disposal	As at 30 Sep 2022	As at 30 Sep 2022	As at 30 Sep 2022	Depreciation Rate
Office Equipment	4,096,645	524,700	(15,000)	4,606,345	2,284,702	463,057	(15,000)	2,732,759	1,873,586	15% & 30%	
Furniture & Fixtures	2,199,000	34,800	-	2,233,800	1,526,931	184,960	-	1,711,891	521,909	15%	
Vehicles	2,450,800	-	-	2,450,800	1,519,803	343,320	-	1,863,123	587,677	20%	
	<u>8,746,445</u>	<u>559,500</u>	<u>(15,000)</u>	<u>9,290,945</u>	<u>5,331,436</u>	<u>991,337</u>	<u>(15,000)</u>	<u>6,307,773</u>	<u>2,983,172</u>		
Description	31-12-2021 (AUDITED)										
	COST					DEPRECIATION					NBV
	As at 1 July 2021	Additions	Disposal	As at 31 Dec 2021	As at 1 July 2021	Charge for the Year	Disposal	As at 31 Dec 2021	As at 31 Dec 2021	As at 31 Dec 2021	Depreciation Rate

**7 Investment in subsidiary**

As a result of Stock Exchange (Corporatization, Demutualization and Integration) Act 2012, the Modaraba acquired Trading Rights Entitlement Certificate (TREC) and the subsidiary has been setup to undertake brokerage business and thereby utilize the TREC. The Modaraba obtained permission from SECP vide letter dated October 21, 2016 to form a wholly owned subsidiary to undertake brokerage business and the subsidiary was incorporated on November 29, 2016. During the Period, total investment in subsidiary remained at Rs. 76,500,000 (Dec 2021: Rs. 76,500,000).

	Note	30-Sep-22 Un-Audited Rupees	31-Dec-21 Audited Rupees
<b>8 Long term musharikhah investment - secured</b>			
Long term musharikhah investment		834,596,388	713,092,641
Less: Current portion of long term musharikhah investment	11	(381,892,572)	(423,391,618)
		<u>452,703,816</u>	<u>289,701,023</u>
<b>9 Long term morabaha investment - secured</b>			
Long term morabaha investment		21,981,246	8,800,000
Add: Unearned morabaha income		3,496,506	-
		25,477,752	8,800,000
Less: Current portion of long term morabaha investment	11	(14,671,672)	(8,800,000)
		10,806,080	-
Less: Current portion of unearned morabaha income	11	(3,805,872)	-
		<u>7,000,208</u>	<u>-</u>
<b>10 Short term morabaha investment-secured</b>			
Short term morabaha Investment		422,536,880	420,894,235
Add: Unearned morabaha income		(5,743,473)	4,556,295
		416,793,407	425,450,530
Less: Provision for doubtful morabaha investment		(214,253,879)	(214,253,879)
		<u>202,539,528</u>	<u>211,196,651</u>
<b>11 Current maturity of long term investment</b>			
Current portion of long term musharikhah investment	8	381,892,572	423,391,618
Less: Provision against musharika investment		(26,392,919)	(26,392,919)
		355,499,653	396,998,699
Current portion of long term morabaha investment	9	14,671,672	8,800,000
Add: Unearned morabaha income	9	3,805,872	-
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		9,677,544	-
		<u>365,177,197</u>	<u>396,998,699</u>
<b>12 Ijarah rental receivables</b>			
Ijarah rental receivable		322,687,202	306,985,371
Less: Provision against ijarah rental receivable		(143,178,676)	(124,026,374)
		<u>179,508,526</u>	<u>182,958,997</u>



13	Advances, deposits, prepayments and other receivables	Note	30-Sep-22 Un-Audited Rupees	31-Dec-21 Audited Rupees
	<b>Profit receivable</b>			
	- Morabaha investment		12,984,786	732,319
	- Musharikhah investment		13,120,488	18,728,953
			<b>26,105,274</b>	<b>19,461,272</b>
	Prepayments		7,724,077	4,431,221
	Advances		19,686,981	2,070,704
	Non-banking assets		4,772,500	8,391,250
	Other receivables		100,027,535	120,177,113
			<b>158,316,367</b>	<b>154,531,560</b>
	Less: Provision for other receivables		(9,955,643)	(11,128,292)
			<b>148,360,724</b>	<b>143,403,268</b>
14	<b>Cash and bank balances</b>			
	Cash at banks			
	- Current accounts	14.1	13,831,578	32,709,947
	- Deposit accounts	17.2&17.3	2,430,151	102,073,480
	- Savings accounts	17.2&17.3	46,372,558	-
	- Current account with State Bank of Pakistan	14.4	1,011,886	233,586
			<b>63,646,173</b>	<b>135,017,013</b>
	Cash in hand		225,787	261,254
			<b>63,871,960</b>	<b>135,278,267</b>
15	<b>Redeemable capital - participatory and unsecured</b>	Note	30-Sep-22 Un-Audited	31-Dec-21 Audited
	Opening balance		1,603,000,000	1,014,101,593
	Add: Issued during the year		100,000,000	600,000,000
	Add: Re- issued during the year		1,675,000,000	1,000,000,000
	Less: Redeemed during the year		(1,603,000,000)	(1,011,101,593)
			<b>172,000,000</b>	<b>588,898,407</b>
	Closing balance		<b>1,775,000,000</b>	<b>1,603,000,000</b>
16	<b>Profit payable</b>			
	Musharikhah finance		-	9,463,234
	Redeemable capital		26,090,887	13,401,730
			<b>26,090,887</b>	<b>22,864,964</b>
17	<b>Trade and other payables</b>			
	Accrued expenses	17.1	6,276,358	5,222,072
	Tax deducted at source		1,639,092	1,382,147
	Advances against ijarah / morabaha / musharikhah		23,171,228	32,595,470
	Other payables		13,397,029	52,399,202
			<b>44,483,707</b>	<b>91,598,891</b>

**18 Commitments**

- 18.1 There are no Ijara Commitments approved but not disbursed on balance sheet due date. (Dec 2021 : Rs. 138.38 Million)
- 18.2 Morabaha commitments approved but not disbursed as on balance sheet date amount to Rs. 20 million (Dec 2021 : 15 Million).
- 18.3 Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs. 59.568 million. (Dec 2021: Rs.122.38 million).

	Note	30-Sep-22 Un-Audited Rupees	30-Sep-21 Un-Audited Rupees
<b>19 Other income</b>			
Profit on bank deposits		20,342,036	3,131,026
Processing fee		1,198,867	847,139
Advising Fee		-	-
Cheque return charges		2,243,782	-
Gain on settlement of musharikhah		6,409,798	3,823,647
Gain on settlement of morabaha		14,317,013	342
Dividend Income		4,319,384	-
Miscellaneous income		3,520,831	506,420
Rebate income from Takaful		1,497,533	1,099,076
		<b>53,849,244</b>	<b>9,407,650</b>
<b>20 Administrative expenses</b>			
Salaries and benefits		23,861,679	23,922,409
Traveling and conveyance		320,765	131,568
Depreciation - owned asset	6.2	991,337	1,211,318
Amortization of Intangible Assets		-	1,200,000
Legal and professional		428,600	1,373,358
Printing and stationary		829,626	661,935
Insurance		1,638,278	1,999,458
Fee and subscription		2,252,362	350,627
Auditor's remuneration		585,000	350,000
Repair and maintenance		1,329,938	1,452,001
Vehicle running and maintenance		458,069	137,786
Power and utilities		1,659,086	797,494
Entertainment expenses		575,284	444,903
Advertisement		285,778	136,400
Telephone and postage		580,022	463,415
Corporate expenses		411,689	426,203
Rent rates and taxes		194,045	107,875
Selling and marketing expenses		3,635,743	665,060
Miscellaneous expenses		806,697	282,211
		<b>40,843,998</b>	<b>36,114,021</b>
<b>21 Finance cost</b>			
Financial charges on musharikhah		196,055	29,643,160
Financial charges on redeemable capital		153,208,784	56,068,249
Bank charges		123,295	147,170
		<b>153,528,134</b>	<b>85,858,579</b>
<b>22 Taxation</b>			
<b>Current Tax</b>			
- Current year		647,908	2,327,781
<b>Deferred</b>			
- Relating to origination and reversal of temporary differences		20,337,585	-
		<b>20,985,493</b>	<b>2,327,781</b>

## 23 Transactions with related parties

The related parties and associated undertakings comprise of The Bank of Punjab, Punjab Modaraba Services (Private) Limited and Punjab Capital Securities (Private) Limited. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

### 23.1 Balances outstanding at the end of year

23.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)	30-Sep-22 Un-Audited Rupees	31-Dec-21 Audited Rupees
Musharikhah finances	-	131,100,952
Profit payable on musharikhah finances	-	9,463,234
Certificates of musharikhah	1,775,000,000	1,600,000,000
Profit payable on certificates of musharikhah	25,063,521	12,374,364
<b>23.1.2 Punjab Capital Securities (Private) Limited (Subsidiary Company)</b>		
Investment in shares	76,500,000	76,500,000
<b>23.2 Transactions during the year</b>		
23.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)	30-Sep-22 Un-Audited Rupees	30-Sep-21 Un-Audited Rupees
Bank charges	123,295.00	147,170
Profit charged on finances	196,055	29,643,160
Profit charged on certificates of Musharikhah	152,750,223	55,441,483

## 24 Reconciliation of liabilities arising from financing activities

	Balance as at 01 Jan 2022	Availed / Announced	Repaid / Redeemed	Balance as at 30 Sep 2022
Long term musharikah finance	131,100,952	-	(131,100,952)	-
Prifit payable	17,203,256	-	(11,980)	17,191,276
Redeemable capital	1,603,000,000	1,775,000,000	(1,603,000,000)	1,775,000,000
	<b>1,751,304,208</b>	<b>1,775,000,000</b>	<b>(1,734,112,932)</b>	<b>1,792,191,276</b>

## 25 Cash flow from operating activities

	Note	Nine Months Ended	
		30 Sep 2022 (Un-Audited) Rupees	30 Sep 2021 (Un-Audited) Rupees
Profit / (Loss) for the year		2,768,097	13,692,823
Adjustments for:			
Depreciation of ijarah assets		92,565,842	87,237,038
Depreciation of assets in own use		991,337	1,211,318
Amortization of Intangible Assets		-	1,132,602
Gain on disposal of ijarah assets		88,484	117,740
Gain on disposal of owned assets		(2,500)	-
Gain on disposal of non-banking assets		(317,500)	-
Reversal for impairment of ijarah assets		(16,697,499)	(5,000,000)
Dividend Received		(4,319,384)	-
Profit on bank deposits		(20,342,036)	-
(Reversal) / Provision for ijarah investment		(1,472,943)	(13,168,058)
Financial charges on musharikah finances		196,055	29,643,160
Financial charges on redeemable capital		153,208,784	56,068,249
		<b>202,725,991</b>	<b>157,242,049</b>
<b>Operating profit before working capital changes</b>		<b>205,494,088</b>	<b>170,934,872</b>
<b>Working capital changes</b>			
(Increase)-decrease in operating assets:			
Morabaha investment		(14,823,891)	36,125,333
Purchase of assets under ijarah arrangements		(43,575,901)	(50,861,864)
Investment in musharikah-net		-	-
Purchase of Software		-	-
Purchase of assets-Development Properties		(10,682,180)	(36,246,510)
Ijarah Rental Receivable - net		2,468,611	104,650,555
Long term deposits		(105,000)	-
Advances, deposits, prepayments and other receivables		(19,550,796)	(15,061,340)
		<b>(86,269,157)</b>	<b>38,606,174</b>
Increase / (decrease) in operating liabilities:			
Security deposits - net		(9,298,523)	(11,840,379)
Trade and other payables		(47,115,184)	(10,229,812)
		<b>(56,413,707)</b>	<b>(22,070,191)</b>
<b>Net changes in operating assets and operating liabilities</b>		<b>(142,682,864)</b>	<b>16,535,983</b>
<b>Cash generated from operations</b>		<b>62,811,224</b>	<b>187,470,855</b>

## 26 Date of authorization for issue

The unconsolidated financial statements of Modaraba were approved by the Directors of Modaraba Management Company and authorized for issue on November 09, 2022.

## 27 General

Figures have been rounded off to the nearest rupees unless otherwise provided.

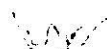
For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)



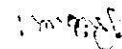
Chief Financial  
Officer



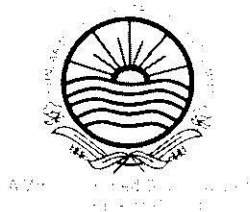
Chief Executive



Director



Director



**CONSOLIDATED  
FINANCIAL INFORMATION**  
For the Nine months ended  
September 30, 2022

**FIRST PUNJAB MODARABA**  
**CONSOLIDATED BALANCE SHEET (UN-AUDITED)**  
**AS AT 30 SEPTEMBER 2022**

	Note	30 Sep 2022 (Un-Audited) Rupees	31 Dec 2021 (Audited) Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible fixed assets			
- Ijarah assets	6.1	356,573,520	402,480,335
- Assets in own use	6.2	4,492,338	4,539,640
Intangible assets	6	8,852,725	7,865,726
Long Term Investment		22,969,624	20,466,394
Long term musharikhah investment - secured	8	452,703,816	289,701,023
Long term morabaha investment - secured	9	7,000,208	-
Long term deposits		8,600,471	8,395,471
Deferred tax asset		43,461,595	63,799,180
		<b>904,654,297</b>	<b>797,247,769</b>
<b>Current assets</b>			
Short term morabaha investment - secured	10	202,539,528	211,196,651
Current maturity of long term investment	11	365,177,197	396,998,699
Ijarah rental receivable	12	179,508,526	182,958,997
Short Term Investment		200,000,000	200,000,000
Development properties - Land		50,165,816	39,483,636
Trade Receivable		14,831,072	7,778,595
Advances, deposits, prepayments and other receivables	13	174,412,991	175,440,070
Tax refund due from government		6,846,874	4,201,717
Cash and bank balances	14	89,213,947	135,278,267
		<b>1,282,695,951</b>	<b>1,353,336,632</b>
		<b>2,187,350,248</b>	<b>2,150,584,401</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Authorized certificate capital			
50,000,000 (31 Dec 2021: 50,000,000) modaraba certificates of Rs. 10 each		<b>500,000,000</b>	<b>500,000,000</b>
Issued, subscribed and paid-up certificate capital			
34,020,000 (31 Dec 2021: 34,020,000) certificates of Rs. 10 each		<b>340,200,000</b>	<b>340,200,000</b>
Fair Value Reserve		4,701,830	5,642,018
Capital reserves		220,303,614	220,303,614
Revenue reserves		(424,165,170)	(405,149,952)
		<b>141,040,274</b>	<b>160,995,680</b>
<b>Non current liabilities</b>			
Long term security deposits		33,106,779	42,274,729
Deferred morabaha income		15,546,756	-
Long term musharikhah finance - secured		-	131,100,952
		<b>48,653,535</b>	<b>173,375,681</b>
<b>Current liabilities</b>			
Current maturity of non current liabilities		84,094,582	84,225,155
Redeemable capital - participatory and unsecured	15	1,775,000,000	1,603,000,000
Profit payable	16	26,090,887	22,864,964
Trade and other payables	17	70,452,583	85,221,565
Provision for taxation		24,827,111	3,698,100
Unclaimed profit		17,191,276	17,203,256
		<b>1,997,656,439</b>	<b>1,816,213,040</b>
		<b>2,187,350,248</b>	<b>2,150,584,401</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	18		

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

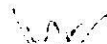
For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)



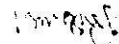
Chief Financial  
Officer



Chief Executive



Director



Director

**FIRST PUNJAB MODARABA  
CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

Note	2022		2021	
	Nine Months Ended Sep 30 Un-Audited	Three Months Ended Sep 30 Un-Audited	Nine Months Ended Sep 30 Un-Audited	Three Months Ended Sep 30 Un-Audited
	Rupees	Rupees	Rupees	Rupees
<b>Income</b>				
Income from ijarah rentals	45,729,149	17,471,247	63,665,498	27,681,931
Income from morabaha financing	7,967,667	3,632,497	799,552	529,413
Income from diminishing musharaka financing	84,840,204	39,502,927	43,743,530	13,944,096
Revenue from Contract with customers	14,801,193	14,801,193	23,546,963	6,896,393
Gain on disposal of fixed assets	231,516	397,169	(340,465)	936,474
Other income	56,419,866	12,546,671	11,208,293	2,442,063
	209,989,595	88,351,703	142,623,371	52,430,370
<b>Expenses</b>				
Administrative expenses	56,317,335	23,907,562	52,900,609	16,273,372
Finance cost	153,553,354	66,584,310	85,878,949	27,660,292
	209,870,689	90,491,872	138,779,558	43,933,664
<b>Operating loss before provision</b>	<b>118,906</b>	<b>(2,140,169)</b>	<b>3,843,813</b>	<b>8,496,706</b>
Reversal for impairment of ijarah assets	-	-	5,000,000	-
Reversal / (provision) against ijarah rentals - net	1,472,943	1,971,259	13,389,658	-
Reversal / (Provision) for musharakah investment	-	-	-	-
Reversal / (Provision) for Other Receivable	1,172,649	1,172,649	-	-
	2,645,592	3,143,908	18,389,658	-
<b>Operating profit / (loss) after provision and impairment</b>	<b>2,764,498</b>	<b>1,003,739</b>	<b>22,233,471</b>	<b>8,496,706</b>
<b>Worker's Welfare Fund</b>	<b>(554)</b>	<b>(554)</b>	<b>-</b>	<b>-</b>
<b>Modaraba Company's management fee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	2,763,944	1,003,185	22,233,471	8,496,706
<b>Taxation</b>	<b>(21,643,939)</b>	<b>(658,446)</b>	<b>(4,206,345)</b>	<b>(1,460,768)</b>
<b>(Loss) / Profit for the Period</b>	<b>(18,879,995)</b>	<b>344,739</b>	<b>18,027,126</b>	<b>7,035,938</b>
<b>Earnings per certificate - basic and diluted</b>	<b>(0.55)</b>	<b>0.01</b>	<b>0.53</b>	<b>0.21</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

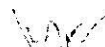
For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)



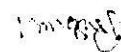
Chief Financial  
Officer



Chief Executive



Director



Director

**FIRST PUNJAB MODARABA**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

Note	2022		2021	
	Nine Months Ended Sep 30	Three Months Ended Sep 30	Nine Months Ended Sep 30	Three Months Ended Sep 30
	Un-Audited Rupees	Un-Audited Rupees	Un-Audited Rupees	Un-Audited Rupees
(Loss) / Profit for the Period	(18,879,995)	344,739	18,027,126	7,035,938
Other Comprehensive Income for the period	(940,188)	(872,670)	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>(19,820,183)</b>	<b>(527,931)</b>	<b>18,027,126</b>	<b>7,035,938</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

For Punjab Modaraba Services (Private) Limited  
 (Modaraba Management Company)



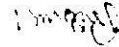
Chief Financial  
Officer



Chief Executive



Director



Director



**FIRST PUNJAB MODARABA  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

	Certificate capital	Capital Reserve		Revenue Reserve Accumulated loss	Total
		Fair Value reserve	Statutory reserve		
	-----Rupees-----				
<b>Balance as at 01 Jan 2021</b>	340,200,000	8,846,368	216,692,528	(431,684,549)	134,054,347
Profit / (Loss) for the Period	-	928,373	-	18,027,126	18,955,499
Other comprehensive income for the Period	-	-	-	-	-
Total comprehensive loss for the Period	-	928,373	-	18,027,126	18,955,499
<b>Balance as at 30 Sep 2021</b>	<u>340,200,000</u>	<u>9,774,741</u>	<u>216,692,528</u>	<u>(413,657,423)</u>	<u>153,009,846</u>
<b>Balance as at 01 Jan 2022</b>	340,200,000	5,642,018	220,303,614	(405,285,175)	160,860,457
(Loss) / Profit for the Period	-	(940,188)	-	(18,879,995)	(19,820,183)
Other comprehensive income for the Period	-	-	-	-	-
Total comprehensive income for the Period	-	(940,188)	-	(18,879,995)	(19,820,183)
<b>Balance as at 30 Sep 2022</b>	<u>340,200,000</u>	<u>4,701,830</u>	<u>220,303,614</u>	<u>(424,165,170)</u>	<u>141,040,274</u>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**



Chief Financial Officer



Director



Director

**FIRST PUNJAB MODARABA  
CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

	Note	Nine Months Ended	
		30 Sep 2022 (Un-Audited) Rupees	30 Sep 2021 (Un-Audited) Rupees
<b>Cash flow from operating activities</b>			
Cash generated from operations	25	134,908,526	199,183,958
Profit paid on redeemable capital		(140,519,627)	(57,231,080)
Profit paid on musharikhah finances		(9,659,289)	(34,729,878)
Taxes paid		17,177,500	(1,563,849)
		(133,001,416)	(93,524,807)
<b>Net cash generated from / (used in) operating activities</b>		<b>1,907,110</b>	<b>105,659,151</b>
<b>Cash flow from investing activities</b>			
Proceeds from disposal of fixed assets		2,500	-
Purchase of assets under ijarah arrangements		(43,575,901)	27,244,531
Proceeds from transfer of ijarah assets		(3,171,612)	43,716,739
Dividend Income		1,223,764	-
Purchase of Software		(986,999)	(1,200,000)
Purchase of fixed assets in own use	6.2	(1,115,626)	(424,165)
<b>Net cash generated from investing activities</b>		<b>(47,623,874)</b>	<b>69,337,105</b>
<b>Cash flow from financing activities</b>			
Musharikhah finances-net	0	(131,100,952)	(216,403,075)
Redeemable capital-net	15	172,000,000	(566,133)
Profit distributed among the certificate holders		(11,980)	(82,664)
<b>Net cash generated from financing activities</b>		<b>40,887,068</b>	<b>(217,051,872)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(4,829,696)</b>	<b>(42,055,616)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>135,278,267</b>	<b>140,072,304</b>
<b>Cash and cash equivalents at the end of the period</b>	14	<b>130,448,571</b>	<b>98,016,688</b>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

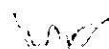
**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**



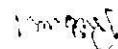
Chief Financial  
Officer



Chief Executive



Director



Director



## FIRST PUNJAB MODARABA

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED)  
(FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022)

### 1 The Group and its Operations

The "Group" consists of:

Parent	Percentage of holding	
	30-Sep-22	31-Dec-21
First Punjab Modaraba		
<b>Subsidiary Company</b>		
Punjab Capital Securities (Private) Limited	100%	100%

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 3rd floor, National Tower, Egerton Road, Lahore. The Modaraba commenced its operations on 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikhah and Morabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam.

Modaraba has obtained approval of the Securities and Exchange Commission of Pakistan to undertake Building, Construction and Real Estate activity by insertion of a new clause for this purpose in prospectus of the Modaraba on 13 January 2021.

#### Punjab Capital Securities (Private)

The Punjab Capital Securities (Private) Limited ("the Company") is registered under the repealed Companies Ordinance, 1984 (which is replaced by Companies Act 2017) as a company limited by shares on the 29th day of November 2016. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the Company is situated at Room No 319, 3<sup>rd</sup> Floor, Lahore stock exchange (LSE) Building, Lahore.

- 1.1 During the period, the Modaraba has changed its financial year from 30 June to 31 December. Accordingly, financial statements of the Company are prepared for the six month period ended 31 December 2021 and hence comparative figures in Consolidated Profit or Loss Accounts, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows are not comparable.

#### 1.2 Basis of Consolidation

The Group consolidated financial statements include the consolidated financial statements of the Modaraba and its subsidiary.

Subsidiary are fully consolidated from the date on which control is transferred to the Modaraba. They are deconsolidated from the date that control ceases. The consolidated financial statements of subsidiary have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Modaraba applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets

transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Modaraba recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The consolidated financial statements of the Modaraba and its subsidiary are prepared upto the same reporting date using consistent accounting policies.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income statement.

Any contingent consideration to be transferred by the Modaraba is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income statement. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Modaraba ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Modaraba had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

### **1.3 Status and nature of business**

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower, 28-Egerton Road, Lahore. The Modaraba commenced its operations on December 23,1992. The Modaraba is listed on Pakistan Stock Exchange.



The Modaraba established its wholly owned subsidiary on November 29, 2016 as a private limited Company under the name of Punjab Capital Securities Privatet Limited. The registered office of Punjab Capital Securities Private Limited is situated at 3rd Floor, LSE Plaza, 19-Khayabane Aiwane Iqbal, Lahore. The Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikhah and Morabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam. The Modaraba has obtained approval of the Securities & Exchange Commission of Pakistan to undertake Building, Construction and Real Estate activity by insertion of a new clause for this purpose in prospectus of the Modaraba on January 13, 2021.

These unconsolidated condensed interim financial statements are the separate condensed financial statements of the Modaraba in which investments in subsidiary are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial statements are prepared separately.

During the year ended December 31, 2021, the Modaraba changed its financial year end from the 30 June 2021 to December 31, 2021. The financial statements of the Modaraba are prepared for the six months ended December 31, 2021.

## 2 Management's Assessment of Going Concern

During the period ended September 30, 2022, the Modaraba has incurred the losses of Rs 18,879,995 mainly owing to the reversals of defer tax recognized on the business losses. Operating profit for the period amounts to Rs 2,764,498 which is mainly contributed by the gain on settlement of Morabaha, profit on bank deposits and dividend income from subsidiary company Punjab Capital Securities (Private) Limited.

The accumulated losses - net of capital reserves, as at 30 September 2022 amounts to Rs. 203,861,556 (Dec 2021: Rs.184,417,543) which exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates, which is a non-compliance of Section 23 of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 which potentially triggers the winding up of Modaraba by registrar.

The current liabilities of the Modaraba exceed its current assets by Rs.714,960,488 as at September 30, 2022. Furthermore, liabilities excluding the security deposits of the Modaraba amounts to Rs 1,932,914,485 which is approximately 13 times of the equity of the Modaraba as at September 30, 2022, which is a non-compliance of Section 12 of the Modaraba Regulations 2021.

The management is of view that these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Modaraba's ability to continue as a going concern. However, the unconsolidated condensed interim financial statements have been prepared on the going concern basis because, the Bank of Punjab (BOP) being the parent company of the Modaraba Management Company has committed to provide the financial support in order to mitigate liquidity risks of the Modaraba. Modaraba with better recoveries and financial support from BOP expected to increase their exposure and improve their profitability.

Further on the basis of the business plan prepared by the management, management is of view that Modaraba demonstrate an increases in revenue, cash flows and profitability of the company, and hence an improvement in the financial performance and position of the company which indicates that Modaraba shall be able to operate on going concern basis in the foreseeable future. Consequently, these unconsolidated condensed interim financial statements have been prepared reflecting these

## 3 Basis of preparations

### 3.1 Statement of compliance

The consolidated condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of:

- International Accounting Standard (IAS) 34, interim financial reporting issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the Modarabas Regulations 2021; and
- Provisions of and directions issued by the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFASs), the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IAS 34, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

- 3.1.1** The disclosures made in these consolidated condensed interim financial statements are based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. These consolidated condensed interim financial statements does not include all the disclosures and statements required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended December 31, 2021.
- 3.1.2** The comparative balance sheet presented in these consolidated condensed interim financial statements has been extracted from the published audited financial statements of the Modaraba for the year ended December 31, 2021, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement have been extracted from the consolidated condensed interim financial statements of the Modaraba for the period ended September 30, 2021 and consolidated financial statements of the Modaraba for the year ended June 30, 2021.
- 3.1.3** These consolidated condensed interim financial statements are being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

#### **4 Significant accounting estimates and judgments**

- 4.1.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied in the preparation of the annual published audited financial statements of the Modaraba for the year ended December 31, 2021.
- 4.1.2** The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.
- 4.1.3** The significant judgments, estimates and assumptions made in applying the Modaraba's accounting policies and the factors used in making those estimates were the same as those that were applied to the annual published audited financial statements for the year ended December 31, 2021.

#### **5 Financial Risk Management Policies**

The financial risk management objectives and policies adopted by the Modaraba are consistent with those disclosed in the annual published audited financial statements of the Modaraba for the year ended December 31, 2021.

5	Tangible fixed assets Ijarah assets Assets in own use	Note	30-09-2022 (UN-AUDITED)	31-12-2021 (AUDITED)
			Sep-22 Rupees	Dec-21 Rupees
		6.1	386,573,520	402,480,335
		6.2	4,492,338	4,539,640
			<u>381,065,858</u>	<u>407,019,975</u>

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate %
	As at 1 Jan 2022	Additions	Transfer	As at 1 Jan 2022	Charge for the Period	As at 30 Sep 2022	As at 1 Jan 2022	Reversal for the Period	Transfer	As at 30 Sep 2022	As at 30 Sep 2022	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Plant and machinery	391,590,463	675,000	(31,624,374)	360,641,089	2,161,525	287,179,440	15,593,102	-	(15,593,102)	-	73,461,649	As per term
Vehicle	432,937,429	-	(29,614,000)	403,323,429	52,326,133	191,117,727	1,104,397	-	(1,104,397)	-	212,205,702	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	-	13,552,604	-	-	-	-	-	As per term
Consumer products	133,893,279	42,900,901	(16,204,477)	160,589,703	36,078,185	89,683,534	-	-	-	-	70,906,169	As per term
	<u>971,973,775</u>	<u>43,575,901</u>	<u>(77,442,851)</u>	<u>938,106,825</u>	<u>97,565,842</u>	<u>581,533,304</u>	<u>16,697,499</u>	<u>-</u>	<u>(16,697,499)</u>	<u>-</u>	<u>356,573,520</u>	

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate %
	As at 1 July 2021	Additions	Transfer	As at 1 July 2021	Charge for the Period	As at 31 Dec 2021	As at 1 July 2021	Reversal for the Period	Transfer	As at 31 Dec 2021	As at 31 Dec 2021	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Plant and machinery	461,728,567	1,011,900	(71,150,004)	391,590,463	5,325,238	304,454,573	15,593,102	-	-	15,593,102	71,862,788	As per term
Vehicle	442,297,959	2,806,000	(12,165,530)	432,937,429	37,292,202	172,178,057	1,104,397	-	-	1,104,397	259,654,975	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	-	13,552,604	-	-	-	-	-	As per term
Consumer products	113,774,738	32,005,500	(11,896,959)	133,893,279	24,908,139	62,910,707	-	-	-	-	70,982,572	As per term
	<u>1,031,353,868</u>	<u>15,822,400</u>	<u>(95,202,493)</u>	<u>971,973,775</u>	<u>67,525,579</u>	<u>522,725,941</u>	<u>16,697,499</u>	<u>-</u>	<u>-</u>	<u>16,697,499</u>	<u>402,480,335</u>	



6.2 Assets in own use

Description	30-09-2022 (UN-AUDITED)						NBV		
	COST			DEPRECIATION			As at		
	As at 1 Jan 2022	Additions	Disposal	As at 30 Sep 2022	Charge for the Period	Disposal	As at 30 Sep 2022	As at 30 Sep 2022	
Office Equipment	5,042,797	781,880	(15,000)	5,809,677	531,970	(45,000)	3,211,313	2,598,364	15% & 30%
Furniture & Fixtures	2,947,985	327,246	-	3,275,231	230,596	-	2,163,093	1,112,138	15%
Vehicles	2,450,800	-	-	2,450,800	343,320	-	1,863,123	587,677	20%
Computer	1,240,980	6,500	-	1,247,480	57,043	-	1,053,322	194,158	15%
	<b>11,682,562</b>	<b>1,115,626</b>	<b>(15,000)</b>	<b>12,783,188</b>	<b>1,162,929</b>	<b>(45,000)</b>	<b>8,290,851</b>	<b>4,492,338</b>	

Description	31-12-2021 (AUDITED)						NBV		
	COST			DEPRECIATION			As at		
	As at 1 July 2021	Additions	Disposal	As at 31 Dec 2021	Charge for the Year	Disposal	As at 31 Dec 2021	As at 31 Dec 2021	
Office Equipment	3,682,747	1,360,050	-	5,042,797	49,389	-	2,694,343	2,348,454	15% & 30%
Furniture & Fixtures	2,947,985	-	-	2,947,985	154,744	-	1,932,497	1,015,488	15%
Vehicles	2,259,300	191,500	-	2,450,800	598,150	-	1,519,803	930,997	20%
Computer	1,212,980	28,000	-	1,240,980	38,238	-	996,279	244,701	20%
	<b>10,103,012</b>	<b>1,579,550</b>	<b>-</b>	<b>11,682,562</b>	<b>840,521</b>	<b>-</b>	<b>7,142,922</b>	<b>4,539,640</b>	

	Note	30-Sep-22 Rupees	31-Dec-21 Rupees
<b>6 Intangible Assets</b>			
Cost of Software		4,207,500	2,495,000
LSE Room		4,640,225	4,265,726
Trading Right Entitlement Certificate (TREC)		2,500,000	2,500,000
Amortization	6.1	(2,495,000)	(2,495,000)
<b>Carrying Amount</b>		<b>8,852,725</b>	<b>6,765,726.00</b>
<b>8 Long term musharika investment - secured</b>			
Long term musharika investment		834,596,388	713,092,641
Less: Current portion of long term musharika investment	11	(381,892,572)	(423,391,618)
		<b>452,703,816</b>	<b>289,701,023</b>
<b>9 Long term morabaha investment - secured</b>			
Long term morabaha investment		21,981,246	8,800,000
Add: Unearned morabaha income		3,496,506	-
		25,477,752	8,800,000
Less: Current portion of long term morabaha investment	11	(14,671,672)	(8,800,000)
		10,806,080	-
Less: Current portion of unearned morabaha income	11	(3,805,872)	-
		<b>7,000,208</b>	<b>-</b>
<b>10 Short term morabaha investment-secured</b>			
Short term morabaha Investment		422,536,880	420,894,235
Add: Unearned morabaha income		(5,743,473)	4,556,295
		416,793,407	425,450,530
Less: Provision for doubtful morabaha investment		(214,253,879)	(214,253,879)
		<b>202,539,528</b>	<b>211,196,651</b>
<b>11 Current maturity of long term investment</b>			
Current portion of long term musharika investment	8	381,892,572	423,391,618
Less: Provision against musharika investment		(26,392,919)	(26,392,919)
		355,499,653	396,998,699
Current portion of long term morabaha investment	9	14,671,672	8,800,000
Add: Unearned morabaha income	9	3,805,872	-
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		9,677,544	-
		<b>365,177,197</b>	<b>396,998,699</b>
<b>12 Ijarah rental receivables</b>			
Ijarah rental receivable		322,687,202	306,985,371
Less: Provision against Ijarah rental receivable		(143,178,676)	(124,026,374)
		<b>179,508,526</b>	<b>182,958,997</b>

13	Advances, deposits, prepayments and other receivables	Note	30-Sep-22 Un-Audited Rupees	31-Dec-21 Audited Rupees
	<b>Profit receivable</b>			
	- Morabaha investment		12,984,786	732,319
	- Musharikah investment		13,120,488	18,728,953
			<b>26,105,274</b>	19,461,272
	Prepayments		7,724,077	4,530,524
	Advances		19,686,981	3,170,704
	Advances to suppliers		1,000,160	797,140
	Security Deposits		23,900,000	29,917,195
	Non-banking assets		4,772,500	8,391,250
	Accrued Mark up on Margin Financing		1,152,107	123,164
	Other receivables		100,027,535	120,177,113
			<b>184,368,634</b>	186,568,362
	Less: Provision for other receivables		(9,955,643)	(11,128,292)
			<b>174,412,991</b>	175,440,070
			<b>174,412,991</b>	175,440,070
	<b>14 Cash and bank balances</b>			
	Cash at banks			
	- Current accounts		38,550,736	58,258,429
	- Deposit accounts		2,430,151	102,073,480
	- Savings accounts		46,980,387	2,660,203
	- Current account with State Bank of Pakistan		1,011,886	233,586
			<b>88,973,160</b>	163,225,698
	Cash in hand		240,787	261,254
			<b>89,213,947</b>	163,486,952
			<b>89,213,947</b>	163,486,952
	<b>15 Redeemable capital - participatory and unsecured</b>			
	Opening balance		1,603,000,000	1,014,101,593
	Add: Issued during the year		100,000,000	600,000,000
	Add: Re- issued during the year		1,675,000,000	1,000,000,000
	Less: Redeemed during the year		(1,603,000,000)	(1,011,101,593)
			<b>172,000,000</b>	588,898,407
	Closing balance		<b>1,775,000,000</b>	1,603,000,000
			<b>1,775,000,000</b>	1,603,000,000
	<b>16 Profit payable</b>			
	Musharikah finance		-	9,463,234
	Redeemable capital		26,090,887	13,401,730
			<b>26,090,887</b>	22,864,964
			<b>26,090,887</b>	22,864,964
	<b>17 Trade and other payables</b>			
	Accrued expenses	17.1	6,278,846	5,222,072
	Trade Payable		25,138,632	16,082,830
	Tax deducted at source		1,639,092	1,382,147
	Advances against ijarah / morabaha / musharikah		23,171,228	46,016,677
	Other payables		14,224,785	16,517,839
			<b>70,452,583</b>	85,221,565
			<b>70,452,583</b>	85,221,565

**18 Commitments**

- 18.1** There are no Ijara Commitments approved but not disbursed on balance sheet due date. (Dec 2021 : Rs. 138.38 Million)
- 18.2** Morabaha commitments approved but not disbursed as on balance sheet date amount to Rs. 20 million (Dec 2021 : 15 Million).
- 18.3** Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs. 59.568 million. (Dec 2021: Rs.122.38 million).

	Note	30-Sep-22 Un-Audited Rupees	30-Sep-21 Un-Audited Rupees
<b>19 Other income</b>			
Profit on bank deposits		20,393,087	3,177,195
Margin Finance Income		1,012,453	380,143
Return on Exposure deposit with PSX		1,873,419	1,066,486
Processing fee		1,198,867	847,139
Cheque return charges		2,243,782	-
Gain on settlement of musharikhah		8,287,209	3,823,647
Gain on settlement of morabaha		14,317,013	342
Dividend Income		1,223,764	-
Base Minimum Capital Profit		403,379	12,830
Miscellaneous income		3,969,360	801,435
Rebate income from Takaful		1,497,533	1,099,076
		<u>56,419,866</u>	<u>11,208,294</u>
<b>20 Administrative expenses</b>			
Salaries and benefits		33,143,613	32,432,682
Traveling and conveyance		374,761	177,551
Depreciation - owned asset	6.2	1,162,929	1,376,979
Amortization of Intangible Assets		-	1,200,000
Legal and professional		655,445	1,493,858
Printing and stationary		829,626	661,935
Insurance		1,740,473	2,106,732
PSX Clearing and CDC Charges		907,329	1,235,523
Fee and subscription		3,012,462	1,090,406
Auditor's remuneration		585,000	610,000
Repair and maintenance		1,707,670	1,691,413
Vehicle running and maintenance		458,069	137,786
Power and utilities		2,190,688	1,223,105
Entertainment expenses		765,851	562,756
Advertisement		285,778	136,400
Telephone and postage		736,281	612,486
Corporate expenses		411,689	426,203
Rent rates and taxes		641,343	256,254
Selling and marketing expenses		5,897,559	4,902,973
Miscellaneous expenses		810,769	565,567
		<u>56,317,335</u>	<u>52,900,609</u>
<b>21 Finance cost</b>			
Financial charges on musharikhah		196,055	29,643,160
Financial charges on redeemable capital		153,208,784	56,068,249
Bank charges		148,515	167,540
		<u>153,553,354</u>	<u>85,878,949</u>
<b>22 Taxation</b>			
<b>Current Tax</b>			
- Current year		1,306,354	4,206,345
<b>Deferred</b>			
- Relating to origination and reversal of temporary differences		20,337,585	-
		<u>21,643,939</u>	<u>4,206,345</u>



## 23 Transactions with related parties

The related parties and associated undertakings comprise of The Bank of Punjab, Punjab Modaraba Services (Private) Limited and Punjab Capital Securities (Private) Limited. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

### 23.1 Balances outstanding at the end of year

23.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)	30-Sep-22 Un-Audited Rupees	31-Dec-21 Audited Rupees
Musharikhah finances	-	131,100,952
Profit payable on musharikhah finances	-	9,463,234
Certificates of musharikhah	1,775,000,000	1,600,000,000
Profit payable on certificates of musharikhah	25,063,521	12,374,364

### 23.2 Transactions during the year

23.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)	30-Sep-22 Un-Audited Rupees	30-Sep-21 Un-Audited Rupees
Bank charges	148,515.00	147,170
Profit charged on finances	196,055	29,643,160
Profit charged on certificates of Musharikhah	152,750,223	55,441,483

## 24 Reconciliation of liabilities arising from financing activities

	Balance as at 01 Jan 2022	Availed / Announced	Repaid / Redeemed	Balance as at 30 Sep 2022
Long term musharika finance	131,100,952	-	(131,100,952)	-
Profit payable	17,203,256	-	(11,980)	17,191,276
Redeemable capital	1,603,000,000	1,775,000,000	(1,603,000,000)	1,775,000,000
	<u>1,751,304,208</u>	<u>1,775,000,000</u>	<u>(1,734,112,932)</u>	<u>1,792,191,276</u>

## 25 Cash flow from operating activities

	Note	Nine Months Ended	
		30 Sep 2022 (Un-Audited)	30 Sep 2021 (Un-Audited)
		Rupees	Rupees
Profit / (Loss) for the year		2,763,944	22,233,471
Adjustments for:			
Depreciation of ijarah assets		92,565,842	87,237,038
Depreciation of assets in own use		1,162,929	1,211,318
Amortization of Intangible Assets		-	1,132,602
Gain on disposal of Ijarah assets		88,484	117,740
Gain on disposal of owned assets		(2,500)	-
Gain on disposal of non-banking assets		(317,500)	-
Reversal for impairment of ijarah assets		(16,697,499)	(5,000,000)
Dividend Received		(1,223,764)	-
Profit on bank deposits		(20,393,087)	-
(Reversal) / Provision for Ijara investment		(1,472,943)	(13,168,058)
Financial charges on musharika finances		196,055	29,643,160
Financial charges on redeemable capital		153,208,784	56,068,249
		<u>205,942,152</u>	<u>157,242,049</u>
<b>Operating profit before working capital changes</b>		<b>208,706,096</b>	<b>179,475,520</b>
<b>Working capital changes</b>			
(Increase)/decrease in operating assets:			
Morabaha investment		(14,823,891)	36,125,333
Purchase of assets under ijarah arrangements		(43,575,901)	(50,861,864)
Investment in musharika-net		-	-
Purchase of Software		-	-
Purchase of assets-Development Properties		(10,682,180)	(36,246,510)
Ijarah Rental Receivable - net		2,468,611	104,650,555
Long term deposits		(205,000)	-
Advances, deposits, prepayments and other receivables		(12,688,840)	(15,061,340)
		<u>(79,507,201)</u>	<u>38,606,174</u>
Increase / (decrease) in operating liabilities:			
Security deposits - net		(9,298,523)	(11,840,379)
Trade and other payables		15,008,154	(7,057,357)
		<u>5,709,631</u>	<u>(18,897,736)</u>
<b>Net changes in operating assets and operating liabilities</b>		<b>(73,797,570)</b>	<b>19,708,438</b>
<b>Cash generated from operations</b>		<b>134,908,526</b>	<b>199,183,958</b>


## 26 Date of authorization for issue

The consolidated financial statements of Modaraba were approved by the Directors of Modaraba Management Company and authorized for issue on November 09, 2022.

## 27 General

Figures have been rounded off to the nearest rupees unless otherwise provided

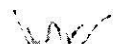
For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)



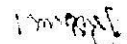
Chief Financial  
Officer



Chief Executive



Director



Director



**FIRST  
PUNJAB  
MODARABA**  
City of Islamic Financial Institutions

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

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